

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	:	
STUDENT FINANCE CORPORATION,	:	
Debtor.	:	
	:	Civil Action No. 04-1551(JJF)
_____	:	
CHARLES A. STANZIALE, JR.,	:	
CHAPTER 7 TRUSTEE OF STUDENT	:	
FINANCE CORPORATION,	:	
	:	
Plaintiff,	:	
v.	:	
	:	
PEPPER HAMILTON LLP, et al.,	:	
	:	
Defendants.	:	
_____	:	

**THE PEPPER DEFENDANTS' MOTION FOR JUDGMENT  
ON THE PLEADINGS ON COUNT IV (PROFESSIONAL MALPRACTICE) OF THE  
TRUSTEE'S FIRST AMENDED COMPLAINT AND MOTION FOR PARTIAL  
JUDGMENT ON THE PLEADINGS ON COUNT I (BREACH OF  
FIDUCIARY DUTY) OF THE TRUSTEE'S FIRST AMENDED COMPLAINT**

On May 26, 2006, the Court of Appeals for the Third Circuit issued an opinion in the case *Seitz v. Detweiler, Hershey and Associates, P.C. (In Re: CitX Corp.)*, 448 F.3d 672 (3d Cir. 2006). During a conference on June 1, 2006, and in a subsequent Order dated June 6, 2006, this Court authorized the defendants in this action to file the instant motion seeking relief based on the *Seitz* opinion.

For the reasons set forth in the accompanying Brief, defendants Pepper Hamilton LLP ("Pepper") and W. Roderick Gagné (collectively, the "Pepper Defendants") move the Court to (1) enter judgment on the pleadings in favor of the Pepper Defendants on Count IV (Professional Malpractice) of the First Amended Complaint filed by Charles A. Stanziale, Jr., Chapter 7 Trustee of Student Finance Corporation (the "Trustee"); (2) enter partial

judgment on the pleadings in favor of the Pepper Defendants on the Trustee's claim for deepening insolvency damages on Count I (Breach of Fiduciary Duty) of his First Amended Complaint and, therefore, bar the Trustee from recovering damages in excess of the approximately \$3,200,000 in legal fees that Student Finance Corporation paid to Pepper; and (3) preclude the Trustee from pursuing or recovering any damages arising from the alleged deepening of Student Finance Corporation's insolvency.

Dated: July 6, 2006  
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL LLP



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